

GENERAL LEAVE

Mr. FRANK of Massachusetts. I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on H.R. 384 and insert extraneous material thereon.

The SPEAKER pro tempore (Mr. COHEN). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TARP REFORM AND
ACCOUNTABILITY ACT OF 2009

The SPEAKER pro tempore. Pursuant to House Resolution 53 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 384.

□ 1649

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 384) to reform the Troubled Assets Relief Program of the Secretary of the Treasury and ensure accountability under such Program, with Mr. SALAZAR in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) each will control 1 hour.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the parliamentary situation must be understood. Last year, when we responded to the urgent pleas of the Bush administration to authorize the \$700 billion deployment of Federal funds to unstick the credit markets, we resisted their insistence that all the money be made available rapidly, and at least said that they would have the right to spend the first half, but after having spent the first half, would have to notify Congress of any intent to spend the second half, and that we would have 15 days in which to consider, under expedited procedures, resolutions to disapprove that.

As the Bush administration began to administer this program, many of us became very unhappy, in particular, we felt that they had repudiated commitments they had given to us to use a significant part of the fund to diminish foreclosures.

We also thought it was a mistake to provide infusions of capital to banks without any requirements as to what was done with that capital. The infusion of capital was not, in itself, a bad idea, but doing it in a way without conditions was in error.

Because of the dissatisfaction with that and some other aspects, we made

it clear, many of us, to the Secretary of the Treasury that any requests to free up the second 350 would be voted down by the Congress, possibly by a sufficient majority to override a veto. The Secretary of the Treasury, therefore, withheld using any of those funds.

We now have a new administration coming in, and many of us believe that the new administration should have the opportunity to spend, lend, deploy the 350. The main argument against it is very simple; because the Bush administration messed this up, we must not allow the Obama administration to do it.

People talk about this program, the TARP, it is called, the Troubled Asset Relief Program, and they impute to it a personality. It becomes, in some of the rhetoric, a living organism. We can't trust the TARP. The TARP was bad.

Well, the TARP is not an organism. It has no mind; it has no spirit. It is a set of policy tools. And at the outset, the argument that because the Bush administration used those tools in ways that we disagree with, we should deny them to the Obama administration goes much too far.

If I were to follow the principle that where the Bush administration did things badly, I would deny the Obama administration the chance to do them, we would not have a State Department because I don't like the Bush administration's foreign policy on the whole. But I do not think we should therefore deprive the new President of the chance to do it.

Instead, what we do, and here's where the parliamentary situation comes in. We have a vote coming under the bill that we passed last year on resolutions of disapproval in the Senate and the House, and they cannot be stopped, thanks to the way we wrote this, by the Rules Committee, by a filibuster or by anything else. Prior to that vote, many of us believe we, in the House, should make clear what conditions we would want to impose on this if it does go forward.

Now, I believe the Obama administration will do this better than the Bush administration, but I want to go more than simply believing that. I think it is important that we pass this bill that makes clear what we believe should be in it, and hope that it passes the Senate, but even if it does not get taken up there for a while, and we've had long delays, have the administration commit to it.

Now, I'm somewhat bemused by my colleagues on the other side of the aisle. Trying to follow their path on this whole program has made me dizzy. Last year they were, at various points, ardently for it, then against it, then for it again. They were for it in the end only with a condition that had to be added to it involving insurance, which the Secretary of the Treasury of their administration said he did not think made any sense and he did not plan to include it.

The leadership, I sympathize on the other side. They've got a membership that they have found hard sometimes to work with, and that has led the leadership to go, in my judgment, in the last year, from obstruction to irrelevance to self-delusion. First they said, let's not do anything. Then they absented themselves from negotiations involving the White House and the Treasury, the Senate Republicans and Democrats and ourselves. They just weren't there, and they wouldn't tell us what they thought. Then finally they felt they had to do something, so they said they would support the bill on condition that it include this insurance plan which the Secretary of the Treasury has made very clear to people he intended to ignore. That gave enough of them enough comfort to vote for the bill.

Now, we found that leaders on the other side who supported this when it was for the Bush administration, now want to deny it to the Obama administration because they correctly realized that the Bush administration did not do it well.

I know that quoting the Bible is in vogue in some circles. I'm not the best exegete, but I will say there is an analogy, you were told, I think, not to visit the sins of the father on the son, or maybe you're told that you should. I'll be honest and say I don't quite remember.

But I certainly do know that when you are dealing with important matters of public policy and tools that you give a President, visiting the sins of one administration on that administration which is not only coming after it, but repudiated it politically would be a great mistake.

Now, the last point I would make is again to emphasize. This vote that we will take on this bill does not free up the money. It does not free up the money. It does not mean the money should be spent. It will mean, after we have dealt with the amendment process, that if the money is spent, we want it spent in this way. There will be a separate vote on whether or not it should be spent.

Now as I understand, I realize that my Republican colleagues in the leadership, on the whole, intend now to repudiate their support for this retroactively, but it comes too late. Punishing the Obama administration, denying the incoming administration the opportunity to deploy these resources, particularly after they have agreed, as I believe they will, very explicitly with what the House thinks should be included, would be a great mistake.

And the last point I would make is this. If we do not pass this bill today, and I believe that, in a subsequent and independent decision, agree to release the \$350 billion, we will make no progress in what is the single biggest economic problem we've been facing, namely, the foreclosure crisis, which has been the cause of so much else.

There has been very little done in the foreclosure crisis. We have tried. We